

**§ 27-15-103. Premium taxes; foreign insurance companies.**

- (1) Except as otherwise provided in Section 83-61-11, in addition to the license tax now or hereafter provided by law, which tax shall be paid when the company enters or is admitted to do business in this state, there is hereby levied and imposed upon all foreign insurance companies and associations, including life insurance companies and associations, health, accident and industrial insurance companies and associations, fire and casualty insurance companies and associations, and all other foreign insurance companies and associations of every kind and description, an additional annual license or privilege tax of three percent (3%) of the gross amount of premium receipts received from, and on insurance policies and contracts written in, or covering risks located in this state, except for premiums received on policies issued to fund a deferred compensation plan qualified under Section 457 of the Federal Tax Code for federal tax exemption. In determining said amount of premiums, there shall be deducted therefrom premiums received for reinsurance from companies authorized to do business in this state, cash dividends paid under policy contracts in this state, and premiums returned to policyholders and cancellations on accounts of policies not taken, and, in the case of mutual insurance companies (including interinsurance and reciprocal exchanges, but not including mutual life, accident, health or industrial insurance companies) any refund made or credited to the policyholder other than for losses. The term "premium" as used herein shall also include policy fees, membership fees, and all other fees collected by the companies. No credit or deduction from gross premium receipts shall be allowed for any commission, fee or compensation paid to any agent, solicitor or representative. Provided, however, that any foreign insurance carrier selected to furnish service to the State of Mississippi under the State Employees Life and Health Insurance Plan shall not be required to pay the annual license or privilege tax on the premiums collected for coverage under the said plan.
- (2) In the event that the Mississippi Supreme Court or another court finally adjudicates that any tax levied prior to July 1, 1985, under the provisions of this section was collected unconstitutionally and that a liability for a credit or refund for such collection has accrued, then the rate of tax set forth above shall be increased to four percent (4%) for a period of six (6) years beginning July 1 following such adjudication.
- (3) The taxes herein levied and imposed for the calendar year 1982 and all calendar years thereafter shall be reduced by the net amount of income tax paid to this state for the preceding calendar year, provided, in no event may the credit be taken more than once. The credit herein authorized shall, in no event, be greater than the premium tax due under this section; it being the purpose and intent of this paragraph that whichever of the annual insurance premium tax or the income tax is greater in amount shall be paid.

**SOURCES: Laws, 1992, ch. 578, § 11; reenacted without change, Laws, 1994, ch. 620, § 11, eff from and after July 1, 1994.**